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Dear Client:

The Austin area has been rightly identified as a mecca for entrepreneurs and a haven for start-ups. But, what are the ingredients that make an area so enticing for this important aspect of an economy? Some are obvious, others are not-so-obvious (and Austin falls short of some of its competitive metros in this category). Here's a quick analysis of those factors.

After assessing all 381 US metros, **the Austin area was ranked #4 on aspects that could be essential to entrepreneurs' success.** In so doing NerdWallet revealed some of the key metrics that it considered important for entrepreneurs age 25 - 54 to establish a start-up. (The three metros that outranked Austin-Round Rock: **#1 Boulder, Colorado ... #2 Minneapolis-St. Paul-Bloomington, Minnesota and #3 Salt Lake City, Utah.**)

Austin could've ranked higher, maybe even at the top, **if it had not fallen short on one not-so-obvious metric – cell phone coverage.** C'mon, be honest. Would you have guessed that cell phone coverage ranks up there with educated workforce, unemployment, affordable homes, etc.? Well, **the top 3 US metros, and all but one other metro in the nation's top 20, ranked higher in cell phone coverage.**

Why is this so important? NerdWallet explains that cell phone coverage in a given area determines the “feasibility” for an **“entrepreneur to maintain client relationships through a mobile device via emailing, texting or calling.”** True, this is important. But is the tech-oriented Austin area so deprived? NerdWallet says its data was obtained by OpenSignal on Nov. 22, 2016.

Moving on to some of the other factors where Austin did really well in the entrepreneurial environment: **dollars of SBA loans per capita** (representing small business credit availability) ... **percentage of population with college degrees** (well-educated workforce) ... **percentage of population aged 25 to 54** (prime start-up demographic) ... **median income, median home price and unemployment.** Austin didn't do quite as well on its proportion of businesses to population – possibly because of the large base of government jobs. Interestingly, only two coastal metros broke into the nation's Top 25.

Now, don't think these statistics and ratings relate only to tech companies – even though they are significant in number. **New restaurants, new craft beer breweries, new retail startups, etc. all contribute to the entrepreneurial aspect of Austin's economy.**

Ask any Austinite who voted to pass the \$720 million transportation and mobility bond package if they realized their vote could result in more toll roads in Austin. What? Toll roads were not mentioned in the ballot language. Neither side of the issue mentioned toll roads, as far as we know. And yet, more toll roads will likely be the result of the overwhelming 59.1% to 40.9% final vote margin. Were the voters duped? Not necessarily.

Most of the voters in November were sick and tired of Austin's mounting traffic problems. And, just about everybody in Austin could go down the list of proposed projects and say, **yeah, we really need to do something about congestion on *those* roadways. There was something in it for everyone who traveled these important roadways.** Look at the list.

Loop 360 ... Spicewood Springs Road ... Anderson Mill Road ... Parmer Lane
North Lamar Blvd ... Burnet Road ... Airport Boulevard ... South Lamar Blvd ...
East Riverside Drive ... Guadalupe Street ... East MLK Jr ... William Cannon
Drive ... Slaughter Lane ... Rundberg East and West ... South Congress Avenue
... Manchaca Road ... and more, you get the idea. **Major traffic problems
abound on this list. And there is no toll road included.**

So, get to the point. Okay. The real problem is the **\$720 million voters approved (with a tax increase, mind you) will not solve the traffic problems on this kitchen sink list of roadway projects.** Not even close. The reason: the money allocated to many of these projects is for "studies" and "engineering." Nothing at all for construction for many of them. Really? That's right.

Well then, how much additional money may be needed to complete the projects? Here is what two civic leader supporters of the bond said: **"We know that more is needed – perhaps many billions of dollars more."** **Many billions more than the \$720 million?** Yep, that's what they said. Check our 11.11.16 edition.

Won't TxDOT have a bundle of money from recent actions by voters and the legislature? Sure. But, TxDOT has an obligation to spread those dollars around the state, such as in fast-growing Dallas, San Antonio and Houston. **Austin will get some of that, but not enough to meet the needs** identified by the "studies" authorized and paid for by the recent election. **This is where toll roads come in.**

The need for toll road revenue will not be part of the public discussion for some time. And, toll roads will not likely replace "free" roads. **Look for "express lanes" to be proposed to run alongside the "free" lanes. They will generate the revenue needed for construction.** They won't be part of the tax equation because only those who use toll roads pay tolls for the added capacity.

Don't think for a minute Austin will stop growing. **Vehicles will increase, in spite of public transit and bicycle initiatives.** And toll road revenue will help handle this growth.

Austin's two major "playground" lakes have switched situations. For years, the biggie, Lake Travis, hovered at dangerously low levels due to a long-lasting drought. This week, it stood at 103% full. Quite a change. During the drought, recreational boaters and fishermen moved to constant level Lake Austin. Now, Lake Austin is about 10 feet below normal.

The role switching is not out of the ordinary. **Recent rains have pushed Lake Travis to operating at capacity and those who use the lake for fun returned in droves.** Downstream, the Lower Colorado River Authority (LCRA) exercised its option this week to lower Lake Austin for about six weeks, cutting down recreational useage of that lake.

The reason for the dip in Lake Austin's level is to "kill" off invasive weeds and to allow dock owners to make repairs. All normal. But for now, Lake Austin (that had been impacted heavily during the Lake Travis drought), is quiet except for the occasional fishermen, the swans that move lazily along the banks, and a kayaker or two. (This week's cold temps will make it even quieter!)

Major long-term news for lake levels is the announcement the LCRA is **developing a second reservoir downstream below Austin.** This new reservoir in Colorado County is smaller than the 40,000-acre-foot reservoir in Wharton County that is scheduled to be operational next year. **The idea is to capture rainfall between Austin and the Gulf Coast to meet water needs in that area, without drawing down water from Lake Travis upstream.** LCRA got an \$8 million grant from the feds to help pay for the second, smaller reservoir.

It's not just Central Texans who take advantage of the attractions afforded by these area lakes. Visitors are drawn to them as well. And, five new hotels, within walking distance of Lake Austin, are opening downtown to help handle the influx of visitors to the Austin area.

- The Fairmont is the biggest. It will be the **largest Fairmont in the world** and the 2nd tallest downtown tower. Adjacent to the Convention Center, it will open in August.
- The huge **Austin Proper Hotel & Residences** will open in 2018, just a stone's throw from Lake Austin, offering hotels, condos and retail in a striking architectural complex.
- **Two hotels side-by-side at historic 7th and Congress, Aloft and Element,** are set to add more than 400 hotel rooms to the city inventory this summer.
- **Waller Creek Place on three acres** will offer a downtown 48-story tower with condos and a hotel, as well as additional office space – again, near Lake Austin.

The City Council is expected to vote this year on **expansion of the Austin Convention Center.**

The ranks of Austin billionaires continue to grow. Recent lists have included Michael Dell, Jean Paul DeJoria, David Booth and Robert Smith. Now add Brian Sheth and Bryan Sheffield to this exclusive Austin club.

Estimated worth of the Austin Six (which obviously fluctuates): **Michael Dell** (\$19.8 billion) ... **John Paul DeJoria** (\$2.9 billion) ... **Robert Smith** (\$2.5 billion) ... **Bryan Sheffield** (\$1.45 billion) ... **David Booth** (\$1.3 billion) and **Brian Sheth** (\$1.1 billion). Vista Equity Partners' Smith and Sheth, as well as Parsley Energy's Sheffield are the newcomers to the Austin list.

Austin has a reputation as a dog-friendly community. And, no matter where you may be when you are out and about, you're likely to see Austinites with their dogs. It's certainly not earth-shaking, but did you ever wonder which dog names are the most popular with Austinites? And maybe even some of the most weird dog names? Well, we have some examples for you, courtesy of Rover.com (yeah, that's the real name of the website).

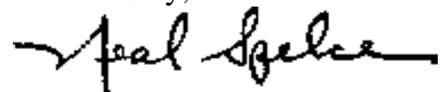
The most popular names Austinites choose for male dogs: **Max, Charlie, Buddy, Cooper** and **Jack**. Pretty normal, huh? And this pretty much matches up with national preferences. Female name preferences by Austinites: **Bella, Lucy, Daisy, Lola** and **Sadie** – also tracking closely to choices by the rest of the nation.

Now, what about Austin dog names that may track the moniker "Keep Austin Weird?" How about **Tesla, Pixel** and **Mac** for the techsters? Or **Sushi, Brewery, Brisket, Pickle** and **Taco** for foodies? Or **Bowtie** for, uh, uh, you figure it out.

The nation's largest network of pet sitters and dog walkers, Rover.com, also points out that **28% of all dog names nationwide are actually human names.**

Speaking of names, **Dr. Louis Overholster** likes the true story told by Austinite **Guich Koock** who, when asked about his unusual first name says "Daddy raised dogs and they got all the good names!"

Sincerely,



Editor/Publisher